United Nations A/C.2/53/SR.33

General Assembly
Fifty-third session

Official Records

Distr.: General
19 November 1998

Original: English

Second Committee

Summary record of the 33rd meeting
Held at Headquarters, New York, on Tuesday, 3 November 1998, at 10 a.m.

Chairman: Mr. Prendergast (Vice-Chairman) ..... (Jamaica)

Contents

Agenda item 98: Implementation of the first United Nations Decade for the Eradication of Poverty (1997–2006) (*continued*)

Agenda item 96: Training and research (*continued*)

(a) United Nations University (*continued*)

Agenda item 93: Sustainable development and international economic cooperation (*continued*)

(e) Implementation of the Programme of Action for the Least Developed Countries for the 1990s (*continued*)

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

98-82081 (E)

In the absence of Mr. Asadi (Islamic Republic of Iran), Mr. Prendergast (Jamaica), Vice-Chairman, took the Chair.

The meeting was called to order at 10.10 a.m.

Agenda item 98: Implementation of the first United Nations Decade for the Eradication of Poverty (1997–2006) (*continued*) (A/53/72–S/1998/156, A/53/95–S/1998/311, A/53/223 and Add.1, A/53/329)

1. **Mr. Shaffer** (International Labour Organization (ILO)) said that, while the International Labour Organization (ILO) was not a funding agency, microfinance was vital to its work. Constituents wishing to create or expand small and medium-sized enterprises, which could, in turn, assist in employment creation, often lacked the necessary capital and access to financial services. To fulfil the role given to it at the World Summit for Social Development regarding employment creation and poverty eradication, ILO had been looking into financial sector issues that were relevant to its work; in particular it was looking at links between labour and financial markets, access to financial markets, scope for growth and development of financial organizations based on self-help and financial markets as a vehicle for social objectives. In addition, in order to address the cross-cutting issues surrounding microfinance, it had created the Social Finance Unit and was now looking into ways of bringing financial institutions closer to microenterprises.

2. ILO had observed that providing technical skills alone without access to credit was a waste of money and effort. The synergy of those elements was vital to the success of microenterprise development efforts. Targeting of women and the poorest should be seen within the context of existing programmes, which were largely addressed to policy makers and institutions. It had also found that targeting women did not always lead to empowerment and economic growth, for cases had been observed where women took out loans but were not in control of how the money was used.

3. ILO had also begun to assess whether microfinance could play a strategic role in addressing the negative impact of the Asian financial crisis through self-employment and microenterprise development. The Social Finance Unit had organized a research project regarding the cost-effectiveness of self-employment and microenterprise creation programmes in industrialized countries and was in the process of submitting a proposal to fund a project on the prevention and elimination of bonded child labour and debt slavery that was the first major attempt to combat child bondage in a comprehensive fashion.

4. In conclusion, he cautioned that, while microfinance had proven to be a potentially powerful instrument to combat poverty, unemployment and social exclusion, it could only be one instrument among others.

5. **Mr. Lai Xuan Chieu** (Viet Nam) said that, national efforts to eradicate poverty must be accompanied by international cooperation and assistance. The Copenhagen Declaration and Programme of Action provided a common framework for efforts to eradicate poverty. However, resources were needed to implement it. He joined with those delegations which had called for a reversal of the decline in official development assistance and for increased international cooperation to eradicate poverty. In that connection his delegation welcomed the decision of the Economic and Social Council to select employment and work in poverty eradication as the theme for the high-level segment of its substantive session in 1999.

6. The financial crisis in East Asia and natural disasters in various parts of the world had demonstrated the volatility of development gains and underscored the need for more vigorous efforts at both the national and international levels to promote poverty eradication and sustainable development.

7. Poverty eradication continued to be one of his country's highest priorities. Although poverty rates remained high, particularly in rural and mountain areas, the target set for the eradication of poverty by the year 2010 still appeared attainable. Viet Nam had adopted an integrated approach to the issue of poverty eradication, incorporating it into the overall strategy for socio-economic development. The poverty eradication programme targeted the poor directly to enable them to be more active in their own development. Activities included providing access to land and microcredit, rural infrastructure, vocational training, technology transfer and access to basic health care and education. Gender mainstreaming and integrating ethnic minorities fully into national life also played a vital role in the successful implementation of the development strategy. Preferential treatment systems and specialized institutions had been established to address those issues.

8. In carrying out its strategy for socio-economic development and poverty eradication, Viet Nam had received effective cooperation and assistance from the United Nations system. In 1997, after reviewing 20 years of United Nations cooperation with Viet Nam, the Government and UNDP had, together, identified poverty elimination as a top priority and agreed on a series of targeted measures to address that issue in a more effective manner. Meeting the new poverty reduction targets for 1999, would present a

challenge, given the current financial crisis in Asia, however Viet Nam was confident that it would succeed.

9. **Mr. Yacoubou** (Benin) said that, by the year 2000, half of the people of Africa would be living below the poverty line. Poverty was not inevitable, however; the causes had already been identified. Unfortunately, the world had been content to diagnose the illness without treating it. It was now time to act.

10. The eradication of poverty was the main challenge facing the international community; States and international organizations must combine their efforts towards that goal. At the national level, Governments must meet the essential needs of their people by investing in education, health care, food security, housing and safe drinking water. On a political level, peoples and Governments must preserve the stability of democratic institutions, social peace and national cohesion. Instability and war were factors that aggravated poverty. It was encouraging to note that many countries, including Benin, had devised national strategies and plans of action to combat poverty. Benin had recently organized an international colloquium on a common minimum standard of living.

11. The international community must help the least developed countries to build their capacity and to integrate themselves into the world economy in order to benefit from globalization. The ultimate goals of the United Nations Decade for the Eradication of Poverty were to provide everyone with access to public resources and services, to guarantee equal opportunity, to strengthen social protection and to combat exclusion. Poverty could not be eliminated unless steps were taken to promote economic and social development and to protect the environment; the importance of microfinancing and microcredit in poverty elimination strategies must therefore be stressed. Access to such credit encouraged entrepreneurship and job creation. His Government supported the proposal to declare the year 2005 the International Year of Microcredit.

12. **Mr. Osio** (Nigeria) said that the fact that the number of people living in absolute poverty continued to increase should elicit greater concern than had previously been shown. The responsibility of Governments for realizing the goals of poverty reduction could not be overemphasized; at the same time Governments needed the support and cooperation of the international community. Nigeria had established the Family Economic Advancement Programme which enabled low-income families to establish small-scale business ventures through soft loans from special government-run banks.

13. His delegation full appreciated that, without resources or capital it would be difficult to overcome poverty. The Secretary-General had highlighted education as one important factor in the reduction of absolute poverty for education brought with it greater opportunity and also raised productivity of both employed and self-employed workers. Another requirement for poverty eradication was the provision of basic health services. However, the ability of developing countries to provide their people with basic education, health and other services, had been undermined by the recent financial crisis and by their heavy debt-service obligations and their marginalization from the benefits of globalization.

14. Accordingly, any efforts to implement the first United Nations Decade for the Eradication of Poverty must involve a genuine partnership between the developing and developed countries on the one hand and the multilateral financial institutions and the United Nations system on the other. Only such a broad-based, multi-disciplinary and interdependent strategy would empower the developing countries to bring about a more equitable distribution of income and increase opportunities for the poor to participate in the process.

15. **Mr. Al-Qaisi** (Bahrain) recalling that, according to the Universal Declaration of Human Rights, everyone had the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, said that the eradication of poverty had been one of the major concerns of the United Nations since its establishment and would be one of the challenges the international community would have to address in the next century. With that in mind it had already defined a number of interdependent development goals. Since independence his country had made every endeavour to respond to the demand for modern development through good governance, improved education and by building a civil society open to change and development in which the Bahraini citizen enjoyed dignity and every human right.

16. The gap between the industrialized countries and developing countries with respect to economic growth and social development was a matter of serious concern. It was difficult for the United Nations to perform its mandate when faced with widespread poverty, social breakdown and unemployment, all of which had a negative impact on development. The Copenhagen Declaration and the Programme of Action adopted at the World Summit for Social Development must be implemented in accordance with national religious principles, laws, customs and norms. International cooperation should be strengthened by implementing policies that would make the role of the

United Nations more effective in the fields of economic and social cooperation. Global trade mechanisms must be developed that took into consideration the joint interests of all countries of the world and took particular note of the development needs and economic problems of developing countries. His delegation reiterated its readiness to cooperate with the Committee in building an international community where security and stability reigned and human interests were paramount.

17. **Mr. Dlamini** (Swaziland) said that eradication of poverty would continue to be one of the highest priorities of the international community for the foreseeable future. Swaziland fully supported efforts to meet the agreed commitments of the Copenhagen Summit in the area of eradication of poverty. His delegation was concerned that economic growth in the developing countries was expected to decline in 1998, primarily due to the Asian financial crisis. Tens of millions of people would thus fall back into poverty and the economies of least developed countries were expected to be gravely affected by weaker commodity prices.

18. Poverty remained chronic in Africa, where economies were characterized by high unemployment, low productivity and underemployment. Those problems had been exacerbated by reductions in direct investment, structural adjustment programmes and external debt. Given the cross-sectoral nature of poverty, the difficulties of its eradication seemed overwhelming; Swaziland therefore welcomed the meaningful initiatives and efforts by creditor countries to address that issue.

19. His Government recognized the role of national Governments in promoting economic empowerment of their people through the creation of an enabling environment. It had formulated a medium-term economic and social reform agenda designed to accelerate economic growth and improve social services, and a long-term national development strategy. Since 75 per cent of its population lived in rural areas away from centres of industry, the development of small, medium and micro-scale enterprises was seen as the best route towards rapid economic growth.

20. While his delegation appreciated the efforts of the international community to address the issues surrounding poverty, those collective efforts must be intensified. The commemoration of the fiftieth anniversary of the adoption of the Universal Declaration of Human Rights was an opportunity to highlight the basic link between development and human rights, which required that all human rights must be viewed as universal, interdependent and equally important for the eradication of poverty.

Agenda item 96: Training and research (*continued*) (A/C.2/53/L.24)

(a) United Nations University (*continued*)

Draft resolution on the United Nations University

21. **Mr. Nishigahiro** (Japan), introducing draft resolution A/C.2/53/L.24, said that Australia, Thailand and Turkmenistan had joined the sponsors. He urged its adoption by consensus.

Agenda item 93: Sustainable development and international economic cooperation (*continued*) (A/C.2/53/L.23)

(e) Implementation of the Programme of Action for the Least Developed Countries for the 1990s (*continued*)

Draft resolution on implementation of the Programme of Action for the Least Developed Countries for the 1990s (A/C.2/53/L.23)

22. **Mr. Wahono** (Indonesia) introduced the draft resolution on behalf of the Group of 77 and China and urged its adoption by consensus.

The meeting rose at 11.10 a.m.